

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 005034

SIPDIS

E.O. 12958: DECL: 12/28/2015

TAGS: [PGOV](#) [PREL](#) [CH](#) [TW](#)

SUBJECT: CROSS-STRAIT DEVELOPMENTS: POLITICS AND FUNERALS
NO, ECONOMICS YES

Classified By: AIT Director Douglas Paal, Reasons: 1.4 (b/d)

11. (C) Summary: While the PRC's rejection of Straits Exchange Foundation (SEF) Chairman Chang Chun-hsiung's offer to attend the funeral of Association for Relations Across the Taiwan Strait (ARATS) Chairman Wang Daohan is regrettable, the rejection was not unexpected, SEF Vice Chairman Michael You (Ying-lung) told AIT on December 28. ARATS does not want to give any impression that it is resuming the contact with SEF that it cut off in 1999 following then President Lee Teng-hui's "two-state theory," You explained. Although prospects are dim for the resumption of cross-Strait dialogue, You said, Taiwan does hope to open PRC tourism to Taiwan and regular cross-Strait charter flights, especially cargo flights, during the coming year. Kuomintang (KMT) Mainland Affairs Director Chang Jung-kung agreed on the likelihood of some positive cross-Strait developments in non-political areas and discussed KMT plans to further develop its own relations with the Chinese Communist Party (CCP). End Summary.

12. (C) Michael You, Vice Chairman of the Mainland Affairs Council (MAC) and Vice Chairman and Secretary General of the Straits Exchange Foundation (SEF), told AIT on December 28 that ARATS had sent SEF a letter that morning turning down the offer for SEF Chairman Chang Chun-hsiung to attend the funeral for ARATS Chairman Wang Daohan in Shanghai on December 30. The letter from ARATS stated that the family of Wang Daohan had indicated through the Xinhua News Agency that Wang wished a simple funeral ceremony. In keeping with this principle, ARATS declined SEF Chairman Chang's offer to attend the funeral.

13. (C) Michael You said the ARATS decision was regrettable but not totally unexpected because the PRC does not want to create any impression that ARATS and SEF are resuming contact. The situation was slightly different when ARATS officials Sun Yafu and Li Yafei attended SEF Chairman Koo Chen-fu's funeral last February, he explained, because Sun and Li attended as personal representatives of Wang Daohan and not as ARATS officials. Michael You noted that, in addition to representatives of Lien Chan and the pan-Blue political parties, the PRC has also invited Koo's widow and several former SEF officials (who served prior to the Democratic Progressive Party (DPP) Chen Shui-bian administration) to attend Wang's funeral. The ARATS decision in this case, he observed, suggests that prior to Taiwan's 2008 presidential election, the PRC may maintain its position of preventing contact between ARATS and SEF. Michael You expressed hope the United States would understand the situation and urge Beijing to reopen dialogue and improve cross-Strait relations. On a more positive note, Michael You said Taiwan hopes there can be quick movement on regular charter flights, especially cargo flights, and on PRC tourism to Taiwan, following the spring charter flights.

14. (C) Chang Jung-kung, Director of the Kuomintang (KMT) Central Committee Mainland Affairs Department, suggested to AIT on December 28 that Wang Daohan's family did not invite Chang Chun-hsiung because they have no personal connection to the current SEF leader. By contrast, ARATS did have such connections with Koo Chen-fu and attended Koo's funeral at the invitation of Koo's family. The DPP had welcomed ARATS' attendance at Koo's funeral because ARATS had no preconditions for the visit. In the current case, however, the PRC does not want to give any impression that it is willing to resume ARATS-SEF contact without preconditions.

15. (C) Chang said he expects the two sides to agree on opening PRC tourism to Taiwan and regular cross-Strait charter flights within the next six months and also for Taiwan to somewhat relax its restrictions on investment in the Mainland. Chen Shui-bian hopes to open cargo flights, while China wants to open passenger and cargo charter flights at the same time, Chang said. Chen's interest in taking such steps is due to pressure from big businesses such as Evergreen, which have in the past supported Chen but are now quite critical of the president, he added.

16. (C) The KMT plans to reapply for permission for PRC Taiwan Affairs Office Director Chen Yunlin to visit Taiwan to attend a KMT-CCP economic and trade forum in Taiwan that the DPP government has previously turned down, Chang said. The KMT wants at least TAO Deputy Director Li Bingcai to attend to make the forum worthwhile. Chang noted that he has passed

a message to the DPP suggesting that though Chen Yunlin will not have contact with DPP officials, the DPP government will still benefit because the visit will take place under DPP authorization. In addition, Chang suggested, a Chen Yunlin visit will guarantee that there will be no cross-Straits problems before 2008. If the government again turns down the application for Chen Yunlin, the economic forum may have to be held in China or Hong Kong, Chang suggested.

17. (C) Chang noted that then KMT Chairman Lien Chan and PRC President Hu Jintao agreed last April to hold a KMT-CCP forum on peace and military issues, in addition to the economic forum. The PLA, however, has raised questions about the appropriateness of discussing cross-Straits confidence building measures, so this forum is still pending, Chang said. The KMT also plans to propose a visit by Vice Chairman Chiang Ping-kun to China this coming spring to continue discussions with the PRC on measures to protect the interests of Taiwan businesspeople on the Mainland.

18. (C) KMT Chairman Ma Ying-jeou does not plan to visit the Mainland, Chang said, but he does play a key role on KMT cross-Straits policy. The general KMT policy framework is set by the agreements between Lien and Hu and between Chiang Ping-kun and Chen Yunlin. Proposed initiatives under these agreements are submitted to the KMT Policy Committee, Secretary General Chan Chuen-po, and Chairman Ma Ying-jeou

SIPDIS

for review and approval and Lien Chan is also kept informed. While there are no differences on cross-Straits policy between Ma and other KMT leaders, Ma is careful and, for example, turned down travel to China by local politicians during the recent local election period. Chang also said that he has some hope that if the KMT wins the presidential election in 2008, the PRC will agree to dialogue without preconditions with the "Chinese Kuomintang" government, noting that he had heard a PRC think tank has made such a suggestion to President Hu Jintao.

Comment

19. (C) The good news is that there may be positive cross-Straits developments during 2006 in areas such as regular charter flights and PRC tourism to Taiwan. The bad news is that prospects remain dim for any dialogue between the PRC and the DPP administration or its representatives. The fundamentalist wing in the DPP and outside critics such as Lee Teng-hui make it very unlikely the DPP will stray from basic political positions to which the PRC objects. By choosing not to propose that Taiwan figures attend Wang's funeral in their personal capacity, Taiwan officials knew they would not be welcomed, something useful to the DPP in portraying China as the unreasonable party. In addition, expectations are strong and growing in Taiwan, even among many in the DPP, that the KMT will regain power in the 2008 presidential election. Given this dynamic, the PRC may have even less incentive to engage the DPP government.

PAAL